

NATIONAL SURVEY FINDS THAT PROFESSIONALLY-PRODUCED TV PROGRAMMING BEATS USER-GENERATED VIDEO IN POPULARITY BY 67 PERCENT FOR ONLINE AND MOBILE VIEWERS

ChoiceStream 2007 Survey of Viewer Trends in TV & Online Video Also Highlights Consumer Frustration with Inefficiencies in Video Discovery Process and Raises Concerns About the Sustainability of the Growth of Premium Content Across All Channels

Cambridge, Mass. — December 10, 2007 — According to ChoiceStream's 2007 Survey of Viewer Trends in TV & Online Video, 65 percent of consumers who watch video on their computers, mobile devices or digital media players are watching professionally-produced TV programming, including network- and cable-produced shows, news and sports. This number exceeds the 39 percent of consumers watching user-generated video by 67 percent and is expected to increase over the next six months as traditional TV viewers begin to shift their viewing behavior towards other devices.

In addition, the Survey finds that when searching on a computer, mobile device or media player, 62 percent of consumers say that it takes at least a few minutes to find something interesting to watch. The discovery process is similarly frustrating for consumers watching programming on their TV sets with 72 percent of all television viewers indicating that it takes at least a few minutes to find programming of interest. The difficulty finding shows and movies to watch on the TV set is clearly costing TV service providers lost revenue as 43 percent of consumers indicate that they would watch more Video-on-Demand and Pay-Per-View if they could find more content of interest. This number is up 19 percent from 2006.

“The Survey shows that there is an inefficient video discovery process that over time will slow the pace of change in consumers' viewing patterns,” said Toffer Winslow, EVP of ChoiceStream Sales and Marketing. “Consumers, especially those in the younger demographic, have grown accustomed to watching TV programs, sports, news and video at their own convenience and do not want to spend time searching for meaningful content every time they turn on their TV, PC or mobile device. It's imperative that companies and advertisers embrace this shift and implement personalization strategies that will put relevant TV programming and video content at the consumers' fingertips wherever they choose to watch it.”

Majority of Consumers Are Tuning in on Multiple Viewing Devices

The Survey showed that 55 percent of all consumers are watching some type of video (e.g., television programs, user generated content, or music videos) on their computers, mobile devices or digital media players (e.g., iPods). 66 percent of these consumers are watching at least one hour per week through these alternatives. Video-watching on alternative devices is more popular among younger viewers (66 percent) than older viewers (36 percent).

In addition, the findings indicate that this younger demographic is also leading the shift in watching traditional TV programming (e.g., network- and cable-produced shows, news, sports) away from their television sets. Nearly 70 percent of younger viewers watching video on alternative devices indicate they watch traditional TV programming, compared to 46 percent who indicate they watch user generated video. Overall, 20 percent of consumers, and 24 percent of 18 to 24 year olds, indicate they will watch more television programming on a device other than a television in the next six months and more than half of them say it will come at the expense of watching television on a traditional set.

Many Watchers Using IPGs Want a Personalized Experience

The 'time to discovery,' or the amount of time it takes to find an interesting program on the television continues to be high, with the vast majority (72 percent) reporting it takes at least a few minutes. While the IPG is an integral resource to help users find content, the majority of TV viewers (53 percent overall and 62 percent of 18 to 24 year olds) would prefer a personalized IPG compared to the 'one-size-fits-all' IPGs that dominate today's viewing experience.

Surprising Numbers of DVR Users Watch Commercials in Recorded Programs

Many television viewers (65 percent) do not use a digital video recorder. However, many of those viewers with such devices are still watching television advertisements, with 23 percent of people reporting they sometimes or always watch the commercials. The reasons vary widely for watching advertisements, and include: they found the commercials educational (36 percent); they found the commercials entertaining (34 percent); and they found it too hard to fast forward (19 percent).

About the ChoiceStream 2007 Survey of Viewer Trends in TV & Online Video

The ChoiceStream 2007 Survey of Viewer Trends in TV & Online Video is the first in a series of national surveys designed to provide insight into viewer perceptions of the television and online video experience. The Survey was conducted via MarketTools, an online survey services provider, and is based on 824 respondents.

Survey respondents consisted of adult-age United States residents distributed across four age categories. 90 percent of respondents made at least one online purchase within the past six months. 48 percent of those surveyed were male, and 52 percent female. The Survey is sponsored by Cambridge, Mass.-based ChoiceStream.

A full Research Brief on the survey findings discussed in this release is available at www.choicestream.com. ChoiceStream will host a Webinar titled “Video Explosion – Consumers Call for Help” on Wednesday, December 12, 2007 at 1:00 p.m. EST. For more information on the Webinar, please [Click Here](#) or go to www.choicestream.com.

About ChoiceStream, Inc.

ChoiceStream is the premier personalization solution provider for the world’s largest entertainment, e-retail, TV and mobile brands, including Comcast, AT&T, DirecTV, AOL, Blockbuster, Yahoo!, and Overstock.com. In today’s marketplace of superabundance, ChoiceStream’s RealRelevanceSM platform restores convenience to consumers by delivering personally relevant choices when and where they want it. ChoiceStream accurately presents consumers with their favorite video, music, movies, news, and products, effectively simplifying the discovery process and prompting action. For consumers, ChoiceStream’s technology delivers on the promise of personalized customer service. For content providers, ChoiceStream’s solution produces measurable sales results and a powerful approach to building lifetime customer loyalty.

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